

SB 465 (Soto) Transit Village Plan

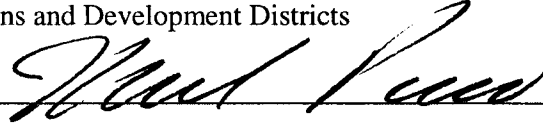
REGIONAL COUNCIL ATTACHMENT #4.2.4

Thursday, June 5, 2003

REPORT

DATE: June 5, 2003
TO: The Regional Council
FROM: Charlotte Eckelbecker, Government Affairs Analyst
Phone: (213) 236-1811 E-Mail: eckelbec@scag.ca.gov
SUBJECT: SB 465 (Soto) Transit Village Plans and Development Districts

EXECUTIVE DIRECTOR'S APPROVAL



RECOMMENDED ACTION: Support

SUMMARY:

Senate Bill 465, introduced by Senator Nell Soto (D-Ontario), permits cities and counties to prepare transit village plans and to create transit development districts within ¼- to ½-mile of a rail transit station. SB 465 requires that 20% of new or rehabilitated housing must be available for low- and moderate-income families and enables adjacent public agencies to establish and operate a transit village redevelopment area. The Maglev Task Force and the Transportation and Communications Committee recommend a support position.

BACKGROUND:

Between 1990 and 2000, the State of California invested almost \$14 billion on mass transit programs and projects, a level of investment unrivaled in the state's history. To encourage mass transit use, the Transit Village Development Planning Act of 1994 was passed, authorizing a city or county to prepare a transit village plan for a transit development district that includes all land within not less than a ¼-mile radius of a rail transit station.

Because transit village plans and development districts are voluntary and are not linked to a dependable stream of capital, cities and counties have had difficulty embracing them. Furthermore, many transit lines follow old rail freight routes and do not easily serve residential areas. Only a few rail transit stations in the state have any concentration of housing nearby.

To promote transit villages, some communities have increased residential and commercial densities within walking distance of rail stops, sped up permits, and subsidized public works to attract private investors. A 1998 review of transit village development by UC Berkeley's Institute of Urban and Regional Development recommended changes to promote transit villages, notably to increase the ¼-mile radius from rail transit stations to ½-mile.

SB 465 amends the Transit Village Development Planning Act of 1994 to encourage transit village development. It adopts the Berkeley recommendation and expands the ¼-mile radius to ½-mile, increasing the potential area of a transit village from 125 acres to roughly 500 acres. SB 465 also expands the definition of "blighted area" in the Community Redevelopment Law. Currently, a blighted area must be predominantly urbanized and must exhibit conditions of both physical and economic blight that cannot be reversed without redevelopment. SB 465 adds to that definition areas that include a rail transit station and the land not more than ½-mile from the station so long as the city or county has an adopted transit village plan and higher density development cannot be achieved without redevelopment.

Officials may not develop a transit village district on top of an existing redevelopment project area. The time limits for a new transit village development area are 12 years to commence eminent domain

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proceedings, 40 years for plan effectiveness, and 60 years to receive property tax increment revenues from the area.

SUPPORT:

The following parties support SB 465:

- Bruce Barrows, former Mayor of Cerritos and former District #23 SCAG Regional Council Member
- California Redevelopment Association
- Gateway Cities Council of Governments
- League of California Cities
- Cities of Covina, Bakersfield, Cathedral City, Cerritos, Covina, La Mesa, Lancaster, Riverside, Stockton, and Upland
- Orange Line Development Authority
- Walk San Diego

OPPOSE:

The following agencies oppose SB 465:

- Counties of Los Angeles and Santa Clara

BILL STATUS:

SB 465 was passed by the Senate Local Government Committee and will be heard by Senate Appropriations on May 19th.

FISCAL IMPACT:

All work related to adopting the recommended staff action is contained within the adopted FY 02/03 budget and adopted 2003 SCAG Legislative Program and does not require the allocation of any additional financial resources.

SB 465 TCC May 2003
C. Eckelbecker, 4/17/03
Doc#85486



AMENDED IN SENATE APRIL 29, 2003
AMENDED IN SENATE APRIL 21, 2003
AMENDED IN SENATE MARCH 26, 2003

SENATE BILL

No. 465

Introduced by Senator Soto
(Coauthor: Assembly Member Bermudez)

February 20, 2003

An act to amend Sections 65460.1, 65460.2, and 65460.4 of the Government Code, and to amend Section 33031 of, and to add Chapter 4.7 (commencing with Section 33499) to Part 1 of Division 24 of, the Health and Safety Code, relating to transit village plans.

LEGISLATIVE COUNSEL'S DIGEST

SB 465, as amended, Soto. Transit village plan: design.

The Transit Village Development Planning Act of 1994 authorizes a city or county to prepare a transit village plan for a transit village development district that includes all land within not less than $\frac{1}{4}$ mile of the exterior boundary of the parcel on which is located a rail transit station and addresses specified characteristics, including a neighborhood centered around a transit station that is planned and designed, as specified, and demonstrable public benefits that reduce traffic congestion. The Community Redevelopment Law specifies both the physical and economic conditions that cause blight.

This bill would extend the surrounding land of a transit village development district to $\frac{1}{2}$ mile from a rail transit station.

The bill would add as a characteristic of a transit village plan a provision that not less than 20% of new and substantially rehabilitated dwelling units constructed or developed within the district be available

at affordable housing cost to persons and families of low or moderate income, as defined, with not less than 40% of these units to be available at affordable housing cost to very low income households, as defined. The bill would also specify conditions that cause blight with respect to an urbanized area covered by a transit village plan.

This bill would also enact an alternative method of adoption of a redevelopment plan that would authorize a city or county that has adopted a transit village plan area to adopt a new Transit Village Redevelopment Plan, as specified, to include in a redevelopment project area all or a portion of an existing transit village plan area and to enable 2 or more adjoining local agencies to enter into an agreement to jointly establish and operate the new redevelopment plan for a Transit Village Redevelopment Project Area, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 65460.1 of the Government Code is
- 2 amended to read:
- 3 65460.1. The Legislature hereby finds and declares all of the
- 4 following:
- 5 (a) Federal, state, and local governments in California are
- 6 investing in new and expanded rail transit systems in areas
- 7 throughout the state, including Los Angeles County, the San
- 8 Francisco Bay area, San Diego County, Santa Clara County, and
- 9 Sacramento County.
- 10 (b) This public investment in rail transit is unrivaled in the
- 11 state's history and represents well over fourteen billion dollars
- 12 (\$14,000,000,000) in planned investment alone.
- 13 (c) An October 1998 report from the Institute of Urban and
- 14 Regional Development at the University of California, Berkeley,
- 15 recommended that the Legislature amend this act to expand the
- 16 spatial dimensions of a transit village from a quarter-mile to a
- 17 half-mile radius from rail transit stations.
- 18 (d) The use of transit by persons living near rail transit stations
- 19 is increasingly important as demonstrated in the January 2002,
- 20 Statewide Transit-Oriented Development Study performed for the
- 21 California Department of Transportation's Division of Mass
- 22 Transportation.

1 (e) The success of a dozen transit-oriented developments in
2 California signals the emergence of and the need to support this
3 important and practical alternative to patterns of lower-density
4 development that depend on automobiles and highways.

5 (f) Interest in clustering housing and commercial development
6 around rail transit stations, called transit villages, has gained
7 momentum in recent years.

8 SEC. 2. Section 65460.2 of the Government Code is amended
9 to read:

10 65460.2. A city or county may prepare a transit village plan
11 for a transit village development district that addresses the
12 following characteristics:

13 (a) A neighborhood centered around a transit station that is
14 planned and designed so that residents, workers, shoppers, and
15 others find it convenient and attractive to patronize transit.

16 (b) A mix of housing types, including apartments, within not
17 more than a half mile of the exterior boundary of the parcel on
18 which the transit station is located.

19 (c) Other land uses, including a retail district oriented to the
20 transit station and civic uses, including day care centers and
21 libraries.

22 (d) Pedestrian and bicycle access to the transit station, with
23 attractively designed and landscaped pathways.

24 (e) A rail transit system that should encourage and facilitate
25 intermodal service, and access by modes other than single
26 occupant vehicles.

27 (f) Demonstrable public benefits beyond the increase in transit
28 usage, including all of the following:

29 (1) Relief of traffic congestion.

30 (2) Improved air quality.

31 (3) Increased transit revenue yields.

32 (4) Increased stock of affordable housing.

33 (5) Redevelopment of depressed and marginal inner-city
34 neighborhoods.

35 (6) Live-travel options for transit-needy groups.

36 (7) Promotion of infill development and preservation of natural
37 resources.

38 (8) Promotion of a safe, attractive, pedestrian-friendly
39 environment around transit stations.

- 1 (9) Reduction of the need for additional travel by providing for
2 the sale of goods and services at transit stations.
- 3 (10) Promotion of job opportunities.
- 4 (11) Improved cost-effectiveness through the use of the
5 existing infrastructure.
- 6 (12) Increased sales and property tax revenue.
- 7 (13) Reduction in energy consumption.
- 8 (g) Sites where a density bonus of at least 25 percent may be
9 granted pursuant to specified performance standards.
- 10 (h) (1) Not less than 20 percent of the new and substantially
11 rehabilitated dwelling units constructed or developed within the
12 district shall be available at affordable housing cost to persons and
13 families of low or moderate income, with not less than 40 percent
14 of those dwelling units required to be available at affordable
15 housing cost to persons and families of low or moderate income
16 to be available at affordable housing cost to very low income
17 households.
- 18 (2) As used in this subdivision, the term “substantially
19 rehabilitated dwelling units” shall mean substantially
20 rehabilitated single-family dwelling units with one or two units, or
21 substantially rehabilitated multifamily rented dwelling units with
22 three or more units.
- 23 (3) As used in this subdivision, the term “substantial
24 rehabilitation” means rehabilitation, the value of which
25 constitutes not less than 25 percent of the after rehabilitation value
26 of the dwelling, inclusive of land value.
- 27 (4) As used in this subdivision, the term “affordable housing
28 cost” shall have the same meaning as set forth in Section 50052.5
29 of the Health and Safety Code.
- 30 (5) As used in this subdivision, the term “affordable rent” shall
31 have the same meaning as set forth in Section 50053 of the Health
32 and Safety Code.
- 33 (6) As used in this subdivision, the term “persons and families
34 of low or moderate income” shall have the same meaning as set
35 forth in Section 50093 of the Health and Safety Code.
- 36 (7) As used in this subdivision, the term “very low income”
37 shall have the same meaning as set forth in Section 50105 of the
38 Health and Safety Code.

(i) Other provisions that may be necessary, based on the report prepared pursuant to subdivision (b) of former Section 14045, as enacted by Section 3 of Chapter 1304 of the Statutes of 1990.

SEC. 3. Section 65460.4 of the Government Code is amended to read:

65460.4. A transit village development district shall include all land within not more than a half mile of the exterior boundary of the parcel on which is located a rail transit station designated by the legislative body of a city, county, or city and county that has jurisdiction over the station area.

For purposes of this article, “district” means a transit village development district as defined in this section.

SEC. 4. Section 33031 of the Health and Safety Code is amended to read:

33031. (a) This subdivision describes physical conditions that cause blight:

(1) Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions can be caused by serious building code violations, dilapidation and deterioration, defective design or physical construction, faulty or inadequate utilities, or other similar factors.

(2) Factors that prevent or substantially hinder the economically viable use or capacity of buildings or lots. This condition can be caused by a substandard design, inadequate size given present standards and market conditions, lack of parking, or other similar factors.

(3) Adjacent or nearby uses that are incompatible with each other and which prevent the economic development of those parcels or other portions of the project area.

(4) The existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership.

(5) Solely in the case of a Transit Village Redevelopment Plan adopted pursuant to Chapter 4.7 (commencing with Section 33499), an urbanized area that is covered by a transit village plan adopted pursuant to the Transit Village Development Planning Act of 1994 (Article 8.5 (commencing with Section 65460) of Chapter 3 of Division 1 of Title 7 of the Government Code), where that transit village plan permits a higher density of development than

1 the development that currently exists in the urbanized area covered
2 by the plan.

3 (b) This subdivision describes economic conditions that cause
4 blight:

5 (1) Depreciated or stagnant property values or impaired
6 investments, including, but not necessarily limited to, those
7 properties containing hazardous wastes that require the use of
8 agency authority as specified in Article 12.5 (commencing with
9 Section 33459).

10 (2) Abnormally high business vacancies, abnormally low lease
11 rates, high turnover rates, abandoned buildings, or excessive
12 vacant lots within an area developed for urban use and served by
13 utilities.

14 (3) *A lack of necessary commercial facilities that are normally*
15 *found in neighborhoods, including grocery stores, drug stores, and*
16 *banks and other lending institutions.*

17 (4) *Residential overcrowding or an excess of bars, liquor*
18 *stores, or other businesses that cater exclusively to adults, that has*
19 *led to problems of public safety and welfare.*

20 (5) *A high crime rate that constitutes a serious threat to the*
21 *public safety and welfare.*

22 SEC. 5. Chapter 4.7 (commencing with Section 33499) is
23 added to Part 1 of Division 24 of the Health and Safety Code, to
24 read:

25
26 CHAPTER 4.7. TRANSIT VILLAGE REDEVELOPMENT PROJECT
27 AREAS
28

29 33499. With enactment of this chapter, it is the intent of the
30 Legislature to do both of the following:

31 (a) Provide cities and counties with a means to facilitate
32 redevelopment of territory within a transit village plan area
33 established by the legislative body of the community pursuant to
34 the Transit Village Development Planning Act of 1994 (Article 8.5
35 (commencing with Section 65460) of Chapter 3 of Division 1 of
36 Title 7 of the Government Code).

37 (b) Enable redevelopment agencies to include in a
38 redevelopment project area all or a portion of a transit village plan
39 area and thereby utilize the powers of this part with respect to those
40 transit village plan areas.

1 33499.1. The Legislature finds and declares that
2 extraordinary measures must be taken to facilitate the
3 redevelopment of transit village plan areas and thereby promote
4 the purposes set forth in the Transit Village Development Planning
5 Act of 1994 (Article 8.5 (commencing with Section 65460) of
6 Chapter 3 of Division 1 of Title 7 of the Government Code).

7 33499.2. Nothing in this chapter shall preclude two or more
8 adjoining cities or counties or their redevelopment agencies, as
9 applicable, from entering into agreements to jointly establish and
10 operate a redevelopment plan for a transit village redevelopment
11 project area if the transit village plan areas are contiguous and each
12 city or county has adopted a transit village plan pursuant to the
13 Transit Village Development Planning Act of 1994 (Article 8.5
14 (commencing with Section 65460) of Chapter 3 of Division 1 of
15 Title 7 of the Government Code).

16 33499.3. The provisions of this chapter set forth an alternative
17 method of adoption and amendment of redevelopment plans and
18 shall not prevent an agency and legislative body from adopting or
19 amending redevelopment plans pursuant to other provisions of this
20 part.

21 33499.4. (a) For each transit village plan area that a city or
22 county has adopted pursuant to the Transit Village Development
23 Planning Act of 1994 (Article 8.5 (commencing with Section
24 65460) of Chapter 3 of Division 1 of Title 7 of the Government
25 Code), the community, following the procedures set forth in
26 Chapter 4 (commencing with Section 33300) of this part except to
27 the extent inconsistent with this chapter, may adopt a new
28 redevelopment plan to be known as a Transit Village
29 Redevelopment Plan.

30 (b) The territory included in the new Transit Village
31 Redevelopment Plan shall not, at the time of adoption of that plan,
32 be located within an existing redevelopment project area. The new
33 Transit Village Redevelopment Plan shall include as the
34 redevelopment project area only territory encompassed by such
35 transit village plan and may include all or a portion of that transit
36 village plan area. The designated area shall be known as a Transit
37 Village Redevelopment Project Area.

38 33499.5. A new Transit Village Redevelopment Plan adopted
39 pursuant to Section 33499.4, which contains the provisions set

1 forth in Section 33670 shall contain all of the following
2 limitations:

3 (a) A time limit, not to exceed 40 years from the adoption of the
4 Transit Village Redevelopment Plan, on the effectiveness of the
5 redevelopment plan. After the time limit on the effectiveness of the
6 Transit Village Redevelopment Plan, the local agency shall have
7 no authority to act pursuant to the Transit Village Redevelopment
8 Plan except to pay previously incurred indebtedness and to enforce
9 existing covenants or contracts, unless the local agency has not
10 completed its housing obligations pursuant to Section 33413, in
11 which case the local agency shall retain its authority to implement
12 requirements under Section 33413, including its ability to incur
13 and pay indebtedness for this purpose, and shall use this authority
14 to complete these housing obligations as soon as is reasonably
15 possible.

16 (b) A time limit, not to exceed 60 years from the adoption of the
17 Transit Village Redevelopment Plan, to repay indebtedness with
18 the proceeds of property taxes received pursuant to Section 33670.
19 After the time limit established pursuant to this paragraph, a local
20 agency may not receive property taxes pursuant to Section 33670.

21 (c) A time limit, not to exceed 12 years from the date of
22 adoption of the Transit Village Redevelopment Plan, for
23 commencement of eminent domain proceedings to acquire
24 property within the Transit Village Redevelopment Project Area.
25 This time limitation may be extended only by amendment of the
26 redevelopment plan.

27 33499.6. In adopting a new Transit Village Redevelopment
28 Plan pursuant to Section 33499.4, the local agency shall prepare
29 the appropriate environmental document pursuant to the
30 requirements of the California Environmental Quality Act
31 (Division 13 (commencing with Section 21000 of the Public
32 Resources Code).

33 ~~33499.7. Notwithstanding any other provision of law to the~~
34 ~~contrary, Sections 33607.5 and 33607.7 shall not apply to the~~
35 ~~adoption of a new Transit Village Redevelopment Plan pursuant~~
36 ~~to Section 33499.4 and the local agency shall not be required to~~
37 ~~make the payments specified in Section 33607.5 or 33607.7 as a~~
38 ~~result of this adoption.~~

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